



## MEETING MINUTES NORTH CAROLINA TURNPIKE AUTHORITY FINANCE COMMITTEE

**DATE:** 09/08/2016    **TIME:** 10:00 AM    **LOCATION:** NCTA Main Conference Room

<b>MEMBERS PRESENT</b>	Beau Memory, Perry Safran, Robb Teer
<b>MEMBERS PRESENT VIA PHONE</b>	Scott Aman, Jim Walker
<b>MEMBERS ABSENT</b>	

### AGENDA TOPICS

<b>1. WELCOME/OPENING COMMENTS – ROBB TEER</b>	
<b>DISCUSSION SUMMARY</b>	Mr. Teer welcomed all attending and thanked all the Committee members for being present. He called the meeting to order. David Roy called roll. Mr. Teer confirmed all present. Mr. Teer invited Beau Memory to provide his remarks. Mr. Memory greeted everyone attending and reported that NCTA had another 3 million dollar month in July on the Triangle Expressway with growth exceeding expectations. Mr. Memory advised the Committee to ask questions when needed during the presentations. Opened the floor for questions.
<b>ACTIONS TAKEN</b>	Mr. Teer presented the meeting minutes from September 8, 2016 for approval by the Committee. Motion of approval given by Scott Aman and seconded by Jim Walker. The minutes were adopted unanimously.

<b>2. MONROE EXPRESSWAY UPDATE ON PLAN OF FINANCE AND SCHEDULE - DAVID MILLER, PFM</b>	
<b>DISCUSSION SUMMARY</b>	<p>David Miller presented an update of the plan of finance for the Monroe Expressway and noted that investment grade indicative grade ratings have been obtained from Moody's and Standard and Poor's with STIP funding of \$22 million but still subject to review from TIFIA. Nothing in the plan changes. TIFIA still considering full \$166 million loan depends on how much bonds they will accept and how much STIP funding will be used. Flow of funds slide was presented. Mr. Safran questioned who the Pledged Account was pledged to. Wally McBride answered by saying it was pledged to the trustee/trustees and is only "hit" after the debt service reserve. Mr. Miller provided an update on TIFIA in which they indicated they were close to a draft of the loan agreement that was available for us to review. Mr. Miller provided the tentative Proposed Schedule for financing. Mr. Miller showed the sources and uses of funding. Mr. Walker asked where we were with Assured Guaranty. Mr. Miller responded that they have reviewed credit and are still reviewing and we are keeping them updated throughout. If it is economical we will use insurance. Mr. Safran asked if the coverage table remains the same. Mr. Miller said no material changes. Mr. Safran voiced concerns over of the acquisition of parcels. Mr. Memory said we do not expect any delays or additional cost on the toll section. Any claims will not exceed \$6 million dollars and will be covered by the department/division funds. Mr. Teer asked if any pitfalls going forward. Mr. Miller advised he did not see any problems and is optimistic of a favorable outcome. The only question is how much bonds and STIP funding they will prefer. Mr. Memory recognized and thanked Mr. Walker and Mayor Travis for speaking with the division stressing the importance of delivery of this project opening on time and remaining on schedule and budget.</p>
<b>ACTIONS TAKEN</b>	

<b>3. MONROE EXPRESSWAY – REVIEW DRAFT FINANCING AND BOND DOCUMENTS - WALLY MCBRIDE, HUNTON &amp; WILLIAMS</b>	
<b>DISCUSSION SUMMARY</b>	<p>Wally McBride spoke to the Revenue Bond Trust Agreement and Introduction, and the Official Statement. Mr. McBride noted second drafts should be available 2 weeks before October meeting for the Committee's review. Explained the flow of funds and how it will show in the Official Statement. Mr. McBride presented the Rate Covenants and explained there may be more to follow regarding TIFIA. He also showed what happens if tolls do not cover payment to the bond holders.</p> <p>In reviewing the Trust Agreement Mr. McBride highlighted the sections containing the guarantee of construction cost, operating expense cost and renewal and replacement costs and the repayment to NCDOT and explained each one.</p> <p>Mr. Teer questioned if this was different than what was used for Triangle Expressway. Mr. McBride answered by saying it was a different concept of revenue and receipts and slightly different rate covenants. There is also a little more flexibility on additional projects that may be added into the debt service pool. David Miller added that with Triangle Expressway the TIFIA reserve fund was near the bottom of the flow of funds and with Monroe it is right after debt service the other difference is the pledged account.</p> <p>Mr. McBride asked the Committee members to concentrate their review effort on the Preliminary Official Statement.</p>
<b>ACTIONS TAKEN</b>	

<b>4. TRIANGLE EXPRESSWAY – REVIEW TRIANGLE EXPRESSWAY 2017 TOLL RATE SCHEDULE – DAVID ROY</b>	
<b>DISCUSSION SUMMARY</b>	<p>Mr. Roy updated the Committee on the Toll Rate Policy and several resolutions that amended the schedule and explained that tolls are increased annually on January 1 and presented the 2017 toll rate schedule and the new inclusion of Old Holly Springs-Apex Road interchange into the project. Mr. Teer asked for an update on completion of 540. Spencer Franklin, a contractor with HNTB, answered that the environmental document would be ready near end of calendar year 2017. Mr. Memory added the Traffic and Revenue study beginning this month and should have it back by mid-2017.</p> <p>Mr. Walker asked if the Map Act had any impact on us. Mr. Memory said the corridor defined in the Map Act is largely the corridor selected as the preferred alternative. We are not buying a corridor we are not planning on using. Still having discussions on cost and other impacts.</p> <p>Mr. Teer offered the opportunity to ask questions.</p>
<b>ACTIONS TAKEN</b>	

<b>5. ADJOURN</b>	
<b>DISCUSSION</b>	<p>Mr. Memory thanked the Committee members for their attention to the materials and the discussions that are taking place. Mr. Teer expressed his pleasure that so many things are coming on line in the next 5 years and thanked everyone for their work.</p>
<b>ACTIONS TAKEN</b>	<p>Mr. Teer declared the meeting adjourned.</p>